

## Assembly Bill No. 902

### CHAPTER 331

An act to add Chapter 2.64 (commencing with Section 7286.24) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 31, 2002. Filed with  
Secretary of State September 3, 2002.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 902, Strom-Martin. Transactions and use tax: qualified cities.

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy transactions and use taxes in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law.

This bill would additionally authorize a qualified city, with the approval of  $\frac{2}{3}$  of voters voting on the issue at an election, to levy a transactions and use tax at a rate of 0.25%, or a multiple thereof not to exceed 1%, for the purpose of maintenance, repair, replacement, construction, or reconstruction of the road system in that qualified city.

This bill would make legislative findings and declarations as to the necessity of a special statute.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 2.64 (commencing with Section 7286.24) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

#### CHAPTER 2.64. QUALIFIED CITY TRANSACTIONS AND USE TAXES

7286.24. (a) (1) In addition to any tax levied pursuant to Part 1.5 (commencing with Section 7200) and any other tax authorized by this part, and subject to paragraph (2), a qualified city may levy a transactions and use tax at a rate of 0.25 percent, or a multiple thereof not to exceed 1 percent, if both of the following conditions are met:

(A) An ordinance proposing the transactions and use tax is approved by a majority vote of all the members of the city council.

(B) The proposing ordinance is approved by a two-thirds majority of qualified voters of the city in an election on the issue.

(2) (A) Any transactions and use tax levied under this section shall be levied pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).

(B) The net revenues derived from a tax levied under this section shall be exclusively expended for the maintenance, repair, replacement, construction, or reconstruction of the qualified city's road system.

(b) For purposes of this section "qualified city" means the City of Clearlake, the City of Fort Bragg, the City of Point Arena, the City of Ukiah, and the City of Willits.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the uniquely difficult fiscal pressures being experienced by the cities specified in Section 1 of this act in providing maintenance, repair, replacement, construction, and reconstruction services for the cities' road systems.

